



Training Proposal for:
Elite Group Collision Centers, Inc.
Agreement Number: ET18-0119

Panel Meeting of: August 25, 2017

ETP Regional Office: North Hollywood

Analyst: M. Reeves

PROJECT PROFILE

Contract Attributes:	Retrainee SET	Industry Sector(s):	Services Automotive Repair Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Counties Served:	Los Angeles, Orange, San Bernardino	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 350	U.S.: 350	Worldwide: 350
<u>Turnover Rate:</u>	18%		
<u>Managers/Supervisors:</u> (% of total trainees)	N/A		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$119,970		\$0	\$0		\$119,970

In-Kind Contribution:	100% of Total ETP Funding Required	\$253,697
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TRAINING PLAN TABLE.

Job No.	Job Description	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee SET	Business Skills, Commercial Skills, Computer Skills	86	8-200	0	\$1,395	*\$29.38
				Weighted Avg: 93			

*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

Minimum Wage by County: \$29.38 per hour Statewide Average Hourly Wage

Health Benefits: ☒ Yes ☐ No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: ☒ Yes ☐ No ☐ Maybe

Up to \$2.64 per hour may be used to meet the Post-Retention Wage.

Other Compensation: Technicians and Mechanics receive Flag Time bonuses that are a normal, recurring part of the Company's employee compensation. Flag Time is based on the amount of time spent completing a job. These bonuses range between \$15 and \$36 per hour over the past 12 months, with the average amount being \$20.69 per hour, and are reported as wages to EDD. Flag Time bonuses may be used to meet the Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Body Technician	\$10.50 - \$15.00	19
Body Technician II	\$16.00 - \$46.00	25
Body Technician Sr.	\$74.36 - \$74.36	1
Body Technician Helper	\$26.72 - \$43.30	3
Collision Advisor	\$26.74 - \$56.00	33
Collision Advisor II	\$56.01 - \$74.88	2
Mechanic	\$29.83 - \$31.95	3

INTRODUCTION

Founded in 1998, Elite Group Collision Centers, Inc. (Elite) is an automotive collision repair company headquartered in Downey. Elite requests funding for its employees and those of its six close affiliates: Mullahey Chevrolet, Prestige Too Auto Body, TM Collision Centers, 7900 Firestone Auto Body, Pacific Elite and MT Collision Centers. All entities fall under the same ownership. Combined, there are 15 locations across Southern California, and employees at all 15 shops will participate in the proposed training.

The vehicles serviced by Elite are becoming more advanced due to a combination of government mandates, technological progress and customer demand. Therefore, Elite must remain on the forefront of vehicle technology, materials, equipment, and repair methods to keep pace with a rapidly evolving industry. Items such as self-parking, auto-braking, electric and hybrid vehicles, emissions regulations, and smart transmissions require extensive training for service staff.

PROJECT DETAILS

With the increase in customer demand for vehicles built from lighter metals, Technicians and Mechanics must be able to understand how body repairs differ based on vehicle metal composition. In addition, recent technology advances in alternative fuel systems have changed the way auto body repairs are performed, as well as how repair costs are estimated. The proposed training will include automotive repair that utilizes metals such as aluminum and ultra-high strength steels and composites. Training will also include damage assessment skills for newer technology vehicles. Mechanics and Technicians must know how to diagnose and troubleshoot systems utilizing computerized test equipment.

Elite currently participates in Direct Repair Programs (DRP) with six major insurance carriers. Participating in a DRP provides a streamlined efficient process for Elite, insurance carriers, and customers by eliminating unnecessary steps, reducing cycle time, and containing costs. Since each insurance carrier has its own repair guidelines, Elite's Mechanics, Technicians, and Collision Advisors must possess the product knowledge and technical skills to complete estimates and repairs in accordance with carrier-specific criteria.

Training will be provided at 15 locations across Los Angeles, Orange and San Bernardino counties, and will be delivered by both in-house subject matter experts and outside training vendors identified during the contract term.

Training Plan

Business Skills (10%): Training will be offered to Collision Advisors. Sales Techniques training will focus on customer relationship building, negotiation skills, presentation skills and communication skills. Training will also provide workers with industry service engagement skills

Commercial Skills (80%): Training will be offered to Body Technicians and Mechanics. Training will include automotive service and repair skills, diagnostics testing, aluminum repair, welding, product knowledge, and parts ordering.

Computer Skills (10%): Training will be offered to Collision Advisors. Certified Collateral Corporation (CCC) software training will help the Company's employees manage claims and vehicle repair information more efficiently. CCC software facilitates in the processing of the majority of automotive claims across the nation. This technology significantly enhances communication among all parties involved in the auto collision repair process including insurance carriers, vehicle owners, rental car companies, parts providers, repair centers and original equipment manufacturers.

Special Employment Training (SET)

Under SET, employers are not required to demonstrate out-of-state competition. Trainees must be earning at least the statewide average hourly wage of \$29.38 per hour at the end of the retention period. However, ETP allows employers to include employee bonuses to meet the ETP minimum wage requirement if: 1) the employee's base wage is at least the State minimum wage; 2) criteria for earning the bonus is documented and the bonus is a normal recurring part of the employee's compensation.

Technicians and Mechanics receive Flag Time bonuses that are a normal, recurring part to the employee compensation. Flag Time is based on the amount of time spent complete a job. These bonuses range between \$15 and \$36 per hour over the past 12 months, with the average amount being \$20.69 per hour, are reported as wages to EDD.

Commitment to Training

Elite spends approximately \$26,000 annually per facility on training that includes new hire orientation, sexual harassment prevention, conflict resolution, and diversity. Safety training is provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

An internal project coordinator will oversee project management, class scheduling and custody of records. In addition, lead training personnel at each facility will assist with training delivery and documentation. The Company has also retained an outside administrative consultant to ensure that all training adheres to ETP requirements.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Training Refund Group (TRG) in Anaheim assisted with development for a flat fee of \$5,000.

ADMINISTRATIVE SERVICES

TRG will also perform administrative services for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum

Class/Lab Hours

8 – 200

Trainees may receive any of the following:

BUSINESS SKILLS

- Sales Techniques

COMMERCIAL SKILLS

- I-CAR Collision Repair Training
- Diagnostics
- Dent Repair
- Parts Ordering
- Product Knowledge
- Aluminum Training
- Welding Training
- Paint Application

COMPUTER SKILLS

- Certified Collateral Corporation Software Solutions

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.
